

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan**

**POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)**

Procedure Code	Average Amt. Paid 2nd Previous Year (1994)	07-01-96 Screen	Terminology
99394	41.75	47.53	adolescent (age 12 through 17 years)

**COUNSELING AND/OR RISK FACTOR REDUCTION INTERVENTION
NEW OR ESTABLISHED PATIENT**

PREVENTIVE MEDICINE, INDIVIDUAL COUNSELING

99401	Non-covered by Medicaid	Counseling and/or risk factor reduction interventions) provided to a healthy individual: approximately 15 minutes.
99402	Non-covered by Medicaid	approximately 30 minutes
99403	Non-covered by Medicaid	approximately 45 minutes
99404	Non-covered by Medicaid	approximately 60 minutes

PREVENTIVE MEDICINE, GROUP COUNSELING

99411	Non-covered by Medicaid	Counseling and/or risk factor reduction intervention(s) provided to healthy individuals in group setting; approximately 30 minutes
99412	Non-covered by Medicaid	approximately 60 minutes

TN No. 96-04 Approval Date Apr 10 1996 Effective Date 07-01-96

Supersedes

TN No. 95-13

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**State of Michigan****POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)**

Procedure Code	Average Amt. Paid 2nd Previous Year (1994)	07-01-96 Screen	Terminology
OTHER PREVENTATIVE MEDICINE SERVICES			
99420	Non-covered by Medicaid		Administration and interpretation of health risk assessment instrument (e.g., health hazard appraisal)
99429	Non-covered by Medicaid		Unlisted preventive medicine serv.

NEWBORN CARE

99432	Non-covered by Medicaid		Normal newborn care in other than hospital or birthing room setting, including physical examination of baby and conference(s) with parent(s).
-------	----------------------------	--	--

TN No. 96-04 Approval Date APR 10 1996 Effective Date 07-01-96

Supersedes

TN No. 95-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan
POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

CODE NOTES:

- The old HCPCS visit codes were deleted from use effective for dates of service after 03-31-92.
- ** The new Evaluation and Management visit codes were added effective for dates of service 04-01-92.
- *** No billings for this code during 2nd previous year (1994), therefore, no average amount paid is shown.

^The .01 is a computer system pend mechanism which tells the computer that the claim must be pended for manual review and pricing.

^^The .01 pends all consultations billed by nonspecialists for manual review. The actual screen shown is the maximum amount that a specialist could expect to receive.

EXPLANATORY NOTES:

- A. 59400 Michigan Medicaid does not pay for the total package under one code; it requires 59510 providers to bill the codes for the individual services which are covered.
- B. 59412 Michigan Medicaid includes reimbursement for this service in its payment for the delivery of antepartum care.

TN No. 96-04 Approval Date APR 10 1996 Effective Date 07-01-96
Supersedes
TN No. 95-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

Part 3. HMO OBSTETRICAL AND PEDIATRIC SERVICES

The Department calculates capitation rates which include obstetrical and pediatric services based on the Department's estimated per capita cost for services included in each HMO's Agreement. This calculation is based on the actual date of service, fee-for-service expenditures for the calendar year two years prior to the capitation rate year as reported through the Department's rate setting reporting system.

Eligible months for the same time period are also used. The expenditures and eligible months are reported using the county of residence, program of assistance age, and sex of the fee-for-service population eligible for enrollment in a health maintenance organization.

The actual expenditures are projected by using the date of service data, factors reflecting the impact of budget and legislative changes to the program (including reimbursement levels), and factors reflecting the prepayment of the capitation rate as opposed to the post-payment of the fee-for-service program.

Adjustments for non-recipient specific features of the Medical Assistance program (gross adjustments undifferentiated charges, program administrative expense assumed by each HMO, and appropriate co-payments) are dispersed to the individual age and sex cells by determining the ratio of the projected expenditures of each individual rate cell to the total projected expenditures.

The final estimated expenditures within each individual rate cell are divided by the number of eligible months to obtain the estimated per capita cost. The percent of reimbursement is then applied to determine the capitation rates for the term of each HMO's Agreement.

Adjustments to the fee-for-service Medical Assistance program including reimbursement levels effective at the start of the State's fiscal year are applied to the last quarter of each HMO's Agreement.

TN No. 96-04 Approval Date APR 10 1996 Effective Date 07-01-96

Supersedes

TN No. 95-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

DOCUMENTATION OF ACCESS TO PEDIATRIC AND OBSTETRICAL SERVICES

1. Introduction

In Michigan, physicians (MDs and DOs) are licensed to practice medicine according to the provisions of Michigan statute, 1978 PA 368, as amended, being the Public Health Code. This law does not authorize licensure by specialty. Therefore, the Michigan Department of Licensing and Regulation (L&R) neither licenses by specialty nor collects data on specialty. Further, a Michigan license permits MD and DO physicians to practice medicine in any location(s) within the state.

Michigan's assurances are based on the following:

- A. The BCBS Michigan Participating Provider Directory for 95-96.
- B. Michigan's 2082 Reports for Fiscal Year 1993 and 1994.
- C. State of Michigan Assistance Payment Statistics, DSS Publication #67, from 1994 and 1995.
- D. The Walker Report for Fiscal Year 1994 (special computer run/report by MDSS).
- E. Michigan Department of Licensing and Regulation, Nurse-Midwife Licensure data. (1995)
- F. Michigan Department of Social Services Procedure File List (screens).
- G. Michigan Department of Management and Budget (MDMB) Survey--Provision of Prenatal Care by Non-Federal Physicians in Michigan, 1990.
- H. Michigan Department of Public Health--Delivery Data for 1993...Births and Source of Payment, 1993.
- I. 1990 U.S. Census Data for Michigan.
- J. Michigan Insurance Bureau--Annual Statistical Report for 1990.
- K. Michigan Nurses Association Survey of Nurse Practitioners.
- L. Michigan Department of Social Services Medicaid Managed Care Report.

TN No. 96-04 Approval Date APR 10 1996 Effective Date 07-01-96

Supersedes

TN No. 95-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACTState of Michigan**POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)**

Effective for dates of service on and after 12-01-91, the Michigan Medical Services Administration increased physician screens by 15%. The fee increase was in the aggregate, not across the board. In annualized dollars it represents an increase of \$31.2 million for physicians, \$22.5 million for outpatient hospital care and \$6.5 million for HMO rates.

The fee screen increases/revisions were based on the Resource Based Relative Value Units (RBRVS) developed for Medicare nationally. The RVUs were updated/adjusted with a statewide GPCI (geographic practice cost indices). The RVU was converted to a dollar screen amount by a conversion factor (CF). The use of the RVU system meant that some screens had to be adjusted downward. To minimize these, Michigan applied a hold-harmless provision by using a larger conversion factor to assure that Medicaid rates would not fall below a certain percentage of Michigan Medicare's rates.

Michigan believes that the screen increase, as well as other administration efforts to facilitate provider participation will serve to continue the high rates of provider participation experienced by the Medicaid Program in the past.

Michigan chose to compare its provider participation to Michigan Blue Shield provider participation. (Participation in Blue Shield being defined as accepting the Blue Shield allowance amount as payment in full.)

Michigan chose BCBSM because it represents the standard of access for medical care in Michigan. According to the Michigan Insurance Bureau's Annual Statistical Report for 1990, BCBSM has 71.88% of the health insurance in Michigan. According to BCBSM data, in 1990 the Blues had a total of 4,358,848 enrollees, of which 3,529,008 were covered by traditional medical insurance. In contrast, the Michigan Medicaid Program had a total of 1,315,757 people eligible for Medicaid. Unfortunately, BCBSM enrollment data was not available on an individual county-by-county basis. However, there is no empirical reason to believe that the Blues enrollee distribution is any different from the Medicaid eligible distribution across counties. It should be noted that the number of BCBSM participating providers is less than the number of Medicaid participating providers in most counties.

For both obstetric and pediatric care, the comparison is on an individual county basis. Medicaid participating provider counts are unduplicated, that is each provider was counted only once regardless of the number of actual location of services any provider possessed in the particular county. Since Blue Shield count not supply data on participating nurse midwives, Medicaid used the total number of nurse midwives by county of licensure which was supplied by the Michigan Department of Licensing and Regulation. Pediatric and Family Nurse Practitioner data was derived from L & R and from the Michigan Association of Nurses Survey of Nurse Practitioners.

TN No. 96-04 Approval Date APR 10 1996 Effective Date 07-01-96

Supersedes

TN No. 95-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACTState of Michigan**POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)**

Medicaid's participation data included all providers (physician or otherwise) who satisfied the minimum participation criteria or at least (1) service rendered. In the case of obstetrical care this includes nurse midwives and Family Nurse practitioners. In the case of pediatric care, this includes pediatric nurse practitioners.

Blue Shield participation data includes:

- A. Obstetrical care--all Blue Shield participating physicians with OB-GYN specialties, plus the physicians with family practice specialties factored by the statewide average percent of family practice physicians providing prenatal care as determined by a 1990 MDMB survey, all nurse midwives by county of license and nurse practitioners.
- B. Pediatric care--all Blue Shield participating physicians with pediatric, family practice, or general practice specialties. Michigan recognizes that the majority of GPs may not provide significant amounts of pediatric care but since a fairly significant number of Medicaid GPs did, they were included for Blue Shield as well. Lacking a factor to reduce the total number of Blue Shield participating GPs to a reasonable representation of the number actually providing pediatric care other than the ratio of Medicaid participating GPs to Medicaid participating GPs who provide pediatric care, Michigan chose to use the total Blue Shield GP count. Michigan realizes that this will inflate the Blue Shield pediatric participating figures but would rather compare itself to the inflated figure than to either totally ignore the GPs or argue over the appropriateness of applying a factor based upon Medicaid data. Nurse practitioner data derived from Michigan Licensing and Regulation is also included.

In addition to the individual provider participation data, Michigan would like to include the following statewide data.

- A. Michigan has 93.1 of its eligible recipients enrolled in Managed Care.
- B. In 1993, Medicaid paid for 34.44% of the births in Michigan.

INDIVIDUAL MICHIGAN COUNTIES	BCBSM Participating Phys. & Lic.Nurse Midwives (NMW) & Family Nurse Practitioner	MA Participating Phys. & Lic. Nurse Midwives (NMW) & Family Nurse Practitioner	BCBSM Participating Phys. & Pediatric Nurse Practitioner	MA Participating Phy. & Pediatric Nurse Practitioner
Alcona	2	5	7	5
Alger	1	5	3	11
Allegan	13	29	25	66
Alpena	7	12	22	37
Antrim	1	1	10	7

TN No. 96-04 Approval Date APR 10 1996 Effective Date 07-01-96

Supersedes

TN No. 95-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan
POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

INDIVIDUAL MICHIGAN COUNTIES	BCBSM Participating Phys. & Lic. Nurse Midwives (NMW) & Family Nurse Practitioner	MA Participating Phys. & Lic. Nurse Midwives (NMW) & Family Nurse Practitioner	BCBSM Participating Phys. & Pediatric Nurse Practitioner	MA Participating Phy. & Pediatric Nurse Practitioner
Arenac	2	2	18	19
Baraga	0	6	4	15
Barry	3	7	6	28
Bay	11	23	38	67
Benzie	1	2	6	20
Berrien	16	64	62	196
Branch	4	9	13	34
Calhoun	22	43	57	161
Cass	1	7	9	23
Charlevoix	5	9	13	23
Cheboygan	5	12	20	29
Chippewa	3	10	19	43
Clare	3	8	15	39
Clinton	3	18	22	31
Crawford	3	6	4	38
Delta	7	20	18	39
Dickinson	7	14	16	34
Eaton	5	23	27	59
Emmett	14	21	25	76
Genesee	57	196	213	430
Gladwin	1	6	10	30
Gogebic	3	7	11	20
Grand Traverse	20	36	52	127
Gratiot	6	16	27	68
Hillsdale	4	9	10	35
Houghton	6	19	22	35
Huron	2	9	12	51

TN No. 96-04 Approval Date APR 10 1996 Effective Date 07-01-96

Supersedes

TN No. 95-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

INDIVIDUAL MICHIGAN COUNTIES	BCBSM Participating Phys. & Lic. Nurse Midwives (NMW) & Family Nurse Practitioner	MA Participating Phys. & Lic. Nurse Midwives (NMW) & Family Nurse Practitioner	BCBSM Participating Phys. & Pediatric Nurse Practitioner	MA Participating Phy. & Pediatric Nurse Practitioner
Ingham	72	138	235	347
Ionia	3	13	28	56
Iosco	4	6	16	38
Iron	1	4	4	13
Isabella	6	18	19	52
Jackson	12	30	53	127
Kalamazoo	34	93	82	288
Kalkaska	1	4	4	16
Kent	53	187	189	504
Keweenaw	0	0	0	0
Lake	1	2	4	4
Lapeer	10	16	31	58
Leelanau	3	2	6	5
Lenawee	19	19	51	75
Livingston	12	17	44	59
Luce	1	4	4	12
Mackinac	0	2	3	12
Macomb	124	134	379	364
Manistee	1	5	5	19
Marquette	18	30	60	92
Mason	3	10	13	27
Mecosta	5	8	14	52
Menominee	0	0	3	12
Midland	5	37	28	86
Missaukee	0	0	2	5
Monroe	13	15	45	65
Montcalm	9	24	36	80
Montmorency	1	5	8	9

TN No. 96-04 Approval Date APR 10 1996 Effective Date 07-01-96

Supersedes

TN No. 95-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan
POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

INDIVIDUAL MICHIGAN COUNTIES	BCBSM Participating Phys. & Lic. Nurse Midwives (NMW) & Family Nurse Practitioner	MA Participating Phys. & Lic. Nurse Midwives (NMW) & Family Nurse Practitioner	BCBSM Participating Phys. & Pediatric Nurse Practitioner	MA Participating Phy. & Pediatric Nurse Practitioner
Muskegon	28	69	79	173
Newaygo	6	13	20	43
Oakland	218	287	601	732
Oceana	3	10	32	48
Ogemaw	3	7	9	41
Ontonagon	1	3	7	10
Osceola	1	1	9	44
Oscoda	0	1	3	7
Otsego	2	4	13	28
Ottawa	12	50	24	105
Presque Isle	0	2	1	7
Roscommon	1	3	11	17
Saginaw	52	71	131	175
Sanilac	4	12	25	45
Schoolcraft	1	6	5	9
Shiawassee	7	21	27	54
St. Clair	24	26	55	162
St. Joseph	8	24	16	74
Tuscola	1	5	17	45
Van Buren	7	15	19	71
Washtenaw	51	153	304	476
Wayne	254	612	833	1653
Wexford	8	14	21	72
Totals	1200	2886	4152	8603
Borderland:				
Indiana	1	13	2	41
Ohio	4	48	2	94
Wisconsin	1	26	1	58

TN No. 76-04 Approval Date APR 10 1996 Effective Date 07-01-96
Supersedes
TN No. 95-03